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EU-27

Citrus Annual

2012 Annual

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Report Highlights:

With the exception of grapefruit, the production of all citrus crops is expected to be lower in the EU in MY2012/13, a consequence of Italy's lower orange crop and Spain's lower mandarin and lemon crops. The Autumn rains had a positive influence in the size and quality of fruits and the farmers are seeing this season as an opportunity to increase revenue and compensate for previous years when prices were lower. EU exports proceed at a good pace as production in some of the main competing countries is also lower.

Disclaimer: This report presents the situation for citrus (orange juice, oranges, grapefruits, lemons, tangerines, mandarins and other citrus) in the EU-27. This report contains the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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Abbreviations used in this report:

CMO Common Market Organization
EC European Commission
EU European Union
FAS Foreign Agricultural Service
FCOJ Frozen Concentrated Orange Juice
GTA Global Trade Atlas

HS Codes: Harmonized System codes for commodity classification used to calculate trade data

Oranges 080510
Tangerines/Mandarins 080520
Lemons 080550
Grapefruit 080540
Orange Juice 200911, 200912, 200919

MS EU Member State(s)
MT Metric ton (1,000 kg)
MY Marketing year
 Orange November/October
 Tangerine November/October
 Lemon November/October
 Grapefruit November/October
 Other Citrus November/October
 Orange Juice November/October
PO Production Organization
PS&D Production, Supply and Demand
TMT Thousand Metric Tons
USD U.S. Dollar

Commodities:

Oranges, Fresh

Production:

EU orange production is concentrated in the Mediterranean region. Oranges are the second largest EU fruit crop after apples, with more than 80 percent of the EU's total production of oranges sourced from Spain and Italy. The remaining 20 percent is distributed among other Member States (MS), mainly Cyprus, Greece and Portugal. For MY2012/13, an EU-wide orange crop of 5.6 MMT is forecast.

Spain

Spain is the largest orange producer within the EU, representing about 50 percent of total orange production within the Union. The orange production for MY 2012/13 in Spain is projected at around 2,900 MMT, almost 5 percent above last year's in what is considered a promising season for the sector.

A long, hot, and dry summer caused the season to start with a 10 days delay in Andalucía and a week in Murcia and Valencia. This interval allowed for the fruit to reach the market with better color and sugar levels. The arrival of the first autumn rains was very beneficial to fruit calibers. This increase in calibers is reported by the industry to have motivated an interest from the retail chains which is reflected on producer prices (Annex A).

More and more producers try to cover the whole marketing year by growing very early and very late varieties. Navelate/Lanelate and Valencia Late varieties are used to boost supply in the late part of the season. Valencia late varieties have brighter color, and are more adequate for juice.

In particular the industry has good hopes for the pigmented varieties and the new lines of Valencia oranges with bigger calibers and wider distribution around the calendar year. However, oranges are grown with the objective of being consumed fresh and oranges of the Navel group are the most appreciated.

In Valencia, the area planted to citrus has been diminishing due to urban pressure. Many roads were built that were preceded by expropriation of the lands and some small fields were abandoned. There is also some switch from citrus to other fruit crops such as kiwi, nectarines, and peaches. On the other hand in Andalucía the area has been increasing and groves with less than 10 years are now reaching their full production potential.

Italy

MY 2012/13 Italian orange production is forecast to decrease by 23 percent due to bad weather conditions in early spring. Quality and fruit size is good, but the early varieties will probably show a delay in ripening, while late varieties will be ready in advance. Sicily (59 percent) and Calabria (22 percent) are the main producing areas. Tarocco, Moro, Sanguinello, Sanguigno, Ovale or Calabrese, Biondo Commune, Navelina, and Washington Navel are the main orange varieties grown in Italy.

Greece

MY 2012/13 Greek orange production is forecast to stay flat. Peloponnese and Aitolokarnaia (western Greece) are the main orange-producing areas. Washington Navel, Commons, Valencia, Navelina, and Newhall are the major orange varieties grown in Greece.

Portugal

In Portugal the MY2012/13 season has developed within the normal parameters, with some registered occurrences of mildew that followed the October and November rains. The sanitary state of crops is considered normal. Production will be similar to last year's although it is possible that late varieties like Encore and Valencia Late that were hit by frost last season in February have better yields this year. Calibers are considered within the normal range.

A 10 year census released in 2011 by the National Institute of Statistics revealed a 22 percent reduction in the orange commercial production area from 1999 to 2009. Orange trees account for 83 percent of the country's 17,000 ha of commercial citrus groves. Restructuring of farms has been occurring to try to gain competitiveness through economies of scale. This is seen by a 46 percent reduction in the number of commercial citrus farms and an increase in the average area from 0.5 to 0.7 ha in the last 10 years. However total commercial citrus area also decreased by 28 percent in the same time period reflecting remaining competitiveness problems in the sector.

Cyprus

MY 2012/13 Cypriot orange production is expected to be constant from the previous year. The size of fruits is expected to be normal. Famagusta, Limassol, Larnaca, and Paphos districts are the major orange-producing areas. Navels, Ovals (Shamoutis), and Valencia are the main orange varieties grown in Cyprus.

Table 1. Major EU Fresh Orange Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	3,114,808	2,770,000	2,900,000

Italy	1,950,000	2,020,000	1,550,000
Greece	901,212	910,000	914,000
Portugal	208,000	205,000	206,300
Cyprus	24,000	24,000	24,000

Source: FAS offices

Consumption:

Consumption of oranges in the EU is expected to remain above 5,000 MMT for MY 2012/13, a level below last season's that reflects lower availability in the market. The per capita annual apparent human consumption of oranges in the EU is estimated at 10 kg but this varies by Member States with countries like Spain showing a level of per capita consumption that is double the EU average. Oranges are sold all year round due to its high demand by consumers, but in Spain around 80 percent of sales are concentrated in the months of November to May.

Trade:

The EU is a net importer of oranges, with imports largely exceeding exports. Imports into the EU were valued at about US \$611 million in MY 2011/12 whereas the value of exports in MY 2011/12 was close to US \$230 million. Intra-EU trade is very important, considering the volume of oranges produced within the EU. The main customers of the major EU producing countries are other EU Member States.

The major supplier of oranges to the European market is South Africa, which supplies the market from June until October, when the Northern hemisphere harvest starts, followed by Egypt, Morocco, and Tunisia. The major EU export destinations are Switzerland, Serbia, and Russia. Exporters are aiming at increasing their presence in the strategic emerging markets of Saudi Arabia, United Arab Emirates, and Brazil.

Table 2. EU-27 Imports of Oranges by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
South Africa	413,915	333,558	441,577

Egypt	132,927	101,261	139,740
Morocco	94,011	99,376	82,974
Tunisia	22,330	20,319	16,768
Israel	17,862	11,077	11,601
Turkey	17,387	10,923	10,576
Others	260,153	222,941	147,435
Total Imports	958,585	799,455	850,670

Source: Global Trade Atlas (GTA) and FAS estimates.

Table 3. EU-27 Exports of Oranges by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Switzerland	58,342	55,469	57,034
Serbia	36,010	43,230	34,645
Russia	21,625	28,308	32,194
Norway	29,290	28,110	29,163
Croatia	22,423	26,887	22,704
Algeria	11,326	6,746	19,553
Others	93,092	128,375	106,307
Total Exports	272,108	317,125	301,600

Source: GTA and FAS estimates.

Production, Supply and Demand Data Statistics:

Table 4. Oranges, Fresh Production, Supply and Demand

Oranges, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	320,613	316,158	320,813	317,082		313,819
Area Harvested	296,018	293,489	296,307	295,110		293,414
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	6,264	6,204	5,521	5,935		5,600
Imports	788	799	900	851		850
Total Supply	7,052	7,003	6,421	6,786		6,450
Exports	317	317	280	302		300
Fresh Dom. Consumption	5,520	5,322	4,873	5,298		5,009
For Processing	1,215	1,364	1,268	1,186		1,141
Total Distribution	7,052	7,003	6,421	6,786		6,450

HECTARES, 1000 TREES, 1000 MT

Source: FAS offices

Commodities:

Tangerines/Mandarins, Fresh

Production:

Total European tangerine production is expected to be close to 2,910 MMT in MY2012/13, some 8 percent below last season's level.

Spain

Spain's total tangerine/mandarin production is projected to decrease by 10 percent to 1,900 MMT in MY 2012/13. This is mostly due to the fall in production of clementines whereas the production of satsumas is expected to rise. Andalucía is the only region of Spain reporting an increase in the production of mandarins as groves that were planted 5 to 10 years ago come into full production.

Growers tried hard to keep costly irrigation working during the very hot and dry 2012 summer until the first autumn rains fell in October. The rain and the cold weather felt allowed for good calibers and color. Farmers are hopeful that the good quality and the slight fall in supply will allow prices to remain at good levels and profits to be better than last season's.

The industry continues to expand the range of varieties used to cover more of the calendar spectrum. Clemenson is an early variety that has shown to produce clementines with good calibers, taste parameters, sugar and acidity and without many of the common skin problems. On the late varieties the industry is betting on the Safor and Garbí. However the Clemenules is still the most widespread clementine variety and it hits the market in the months of November and December. The great concentration of supply in just a few months is still a problem for producers. Among the solutions proposed by industry are a new plan for the withdrawal from the market in coordination with processors, the strengthening of research into new varieties, the opening up and consolidation of export markets, and the move to alternative fruit crops.

Italy

MY 2012/13 Italian easy peelers production (83 percent seedless clementines, 17 percent mandarins) is forecast to be 3 percent down from previous year. Sizes of the Avana variety are good, but the planted area of this variety is decreasing every year. Higher input costs and lower prices have negatively affected crop profitability. Calabria (50 percent), Sicily (23 percent), and Apulia (14 percent) are the main easy peelers-producing areas. Avana and Tardivo di Ciaculli are the major mandarin varieties grown in Italy. Comune or Oroval, and Monreal are the main Clementine varieties.

Greece

MY 2012/13 Greek tangerine production is forecast to remain steady. The main producing areas include the prefectures of Igoumenitsa, Arta, Mosologgi, and Thesprotia, located in northern Greece. "Clementine" is the major tangerine variety grown in Greece.

Cyprus

MY 2012/13 Cypriot tangerine production is expected to be similar to the previous year with low volumes but with higher calibers. Famagusta, Limassol, Larnaca, and Paphos districts are the major tangerine-producing areas. Mandoras, Tangelo, Minneolas, Nova, and Clementines are the main tangerine varieties grown in Cyprus.

Portugal

Tangerines are the second most important citrus product in Portugal, after oranges. The Algarve is the most representative region with 80 percent of the total producing area. The production of tangerines is projected at the same levels of last year with normal calibers and quality.

Table 5. Major EU Fresh Tangerine Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	2,196,890	2,115,900	1,900,000
Italy	758,000	817,000	790,000
Greece	120,000	120,000	120,000
Cyprus	55,000	51,000	43,000
Portugal	34,185	34,200	34,800

Source: FAS Offices

Consumption:

Total EU-27 consumption in MY2012/13 is forecast to be close to 2,530 MMT, an 8 percent fall from the previous year reflecting lower availability and a falling purchasing power. The per capita consumption in the EU for 2012/13 is calculated at 5.0 kilos.

Trade:

The major suppliers of tangerines to the European market are Morocco, South Africa and Turkey.

European exporters have been asking authorities to monitor the implementation of the commercial agreement between the EU and Morocco that since 1 October 2012 allowed this country a higher export quota of agricultural products to the EU. EU imports of tangerine were valued at US \$394 million and EU exports at US \$352 million in MY 2011/12. Exports continued to increase to Russia in MY2011/12 and this country is seen as the only growing market that is effectively able to absorb large quantities. The EU turned from being a net importer to being a net exporter of tangerines in volume terms in 2010/11.

Table 6. EU-27 Imports of Tangerines by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
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Morocco	115,546	87,576	80,253
South Africa	65,064	57,756	67,191
Peru	33,217	41,925	49,253
Turkey	64,894	49,562	45,186
Israel	36,165	29,086	42,615
Argentina	40,157	32,142	24,424
Others	62,139	46,239	38,656
Total Imports	417,182	344,286	347,579

Source: GTA and FAS estimates.

Table 7. EU-27 Exports of Tangerines by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Russia	59,351	91,131	98,258
Ukraine	27,293	54,631	55,569
United States	46,090	62,247	45,433
Switzerland	38,965	37,661	40,010
Belarus	19,073	30,384	25,013
Norway	24,544	23,356	23,360
Others	52,154	65,222	83,203
Total Exports	267,470	364,632	370,847

Source: GTA and FAS estimates.

Production, Supply and Demand Data Statistics:

Table 8. Tangerines/Mandarins, Fresh Production, Supply and Demand

Tangerines/Mandarins, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	167,835	174,122	165,161	171,303		168,989
Area Harvested	152,492	160,291	149,890	157,224		155,194

Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	3,194	3,187	3,127	3,161		2,911
Imports	337	344	330	348		350
Total Supply	3,531	3,531	3,457	3,509		3,261
Exports	365	365	380	371		370
Fresh Dom. Consumption	2,828	2,674	2,757	2,770		2,530
For Processing	338	492	320	368		361
Total Distribution	3,531	3,531	3,457	3,509		3,261
HECTARES, 1000 TREES, 1000 MT						

Source: FAS offices

Commodities:

Lemons, Fresh

Production:

At EU-level, the production of lemon is expected to reach 1,150 MMT in MY 2012/13, a 9 percent fall from the previous year.

Spain

In Spain, the lemon crop production for MY 2012/13 is projected close to 630,000 MT, a 12 percent decrease from the previous year. The season started with 10 days delay when compared to previous years. The summer was very dry and hot and the calibers were small but the October and November rains improved crop prospects.

Lemon production in Spain is concentrated in three regions located in the southern Mediterranean area: Murcia, Valencia and the Provinces of Malaga and Almeria in Andalusia. The dominant varieties in Spain are Verna - a tender and juicy variety with few seeds, representing 30 percent of total production; and Fino which represents 70 percent of total production and is favored by the processing sector. The season starts with the harvest of the Fino variety and then proceeds with the remaining varieties such as the Verna in spring and summer. The introduction of new cultivars is a relatively slow process and these are mostly planted when small and old orchards are grubbed up to give way to new and larger fields.

MY2012/13 harvest forecasts from the main lemon and grapefruit inter-professional association (AILIMPO) are higher than official numbers at 850,000 MT in Spain. As can be seen there continues to be an important disparity between official numbers - published by the Ministry of Agriculture - and the

numbers from the main industry body. AILIMPO also refer to the lower stocks of lemon resulting from imports from Argentina and South Africa in the off season and the lower crop in Turkey as factors affecting the Spanish market positively. Spain has even started exporting to Eastern Europe ahead of what is normal because of the lower supply pressure from Turkey. Producer prices have been at higher levels than the in last two seasons (see Annex C).

Because the volumes are considered sufficient to supply all clients but without excess production the industry is hoping that prices will not plummet when the bulk of the crop arrives to the market in November and December. This will be achieved with careful phasing in of harvest, as far as the technical requirements of each variety allow. The good volumes being exported make for an optimistic scenario for this year's lemon crop in Spain from the point of view of profitability for farmers and industry.

Italy

MY 2012/13 Italian lemon production is forecast to decrease by 4.3 percent. Quality is forecast to be good. Sicily produces more than 86 percent of Italy's lemons. The lemon-producing area is progressively decreasing: higher input costs and lower prices have negatively affected crop profitability. Femminello Commune, Monachello, and Interdonato are the main lemon varieties grown in Italy. Farmers are forecast to deliver 80,000 MT of lemons to the processing industry.

Greece

MY 2012/13 Greek lemon production is forecast to increase by 11 percent due to favorable weather. The main producing areas include the prefectures of Korinthos, Achaia, Piraeus, and Ilias, located in northern Greece. The major lemon variety grown in Greece is "Maglini," whose fruit is strongly aromatic, with a quite sour juice.

Cyprus

MY 2012/13 Cypriot lemon production is expected at the same levels than the previous year. The harvesting was delayed by approximately a week due to the warm weather. The size of fruit is expected normal. Lapithos village is the main lemon-producing area. "Lapithiotiki" (a local variety), "Eureka," and "Lisbon" are the major lemon varieties grown in Cyprus.

Portugal

Lemons represent 5 percent of Portugal's citrus crop. Production in MY 2012/13 is projected at slightly last season's but with normal calibers and quality.

Table 9. Major EU Fresh Lemons/Limes Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	717,906	730,000	629,800
Italy	488,000	460,000	440,000
Greece	33,000	45,000	50,000
Cyprus	16,000	18,000	18,000
Portugal	13,132	13,000	12,600

Source: FAS Offices

Consumption:

EU-27 consumption is forecast to be around 1,250 MMT in MY2012/13. This is a 3 percent fall from the previous year due to a combination of lower domestic availability and higher demand for exports as competitors like Turkey are expected to have a lower production this year. The industry is also projected to process fewer lemons as a consequence of these two factors. The per capita consumption of lemons in the EU for 2012/13 is calculated at 2.5 kilos.

Trade:

The EU is a net importer of lemons, with imports largely exceeding exports. Imports into the EU reached US \$462 million in MY 2011/12, while the value of exports in MY 2010/11 was US \$103 million. Intra-EU trade is critical to the sector, taking into account the volume of lemons produced in the Mediterranean Member States and the demand in non producer Member States. The main intra-EU importers are Germany, the Netherlands, France, and the United Kingdom.

The major supplier to the European market is Argentina, followed by Turkey, Brazil, and South Africa. The major EU importers of non-EU lemons are the Netherlands, Germany, France and Italy. The main extra-EU destination for European lemons is Russia.

Table 10. EU-27 Imports of Lemons/Limes by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Argentina	182,160	159,650	179,892
Turkey	128,376	113,545	94,192

Brazil	56,773	56,536	58,432
South Africa	45,794	45,062	40,502
Mexico	24,914	27,289	35,834
Uruguay	10,832	8,280	9,949
Others	22,014	10,293	16,943
Total Imports	470,863	420,655	435,745

Source: GTA and FAS estimates

Table 11. EU-27 Exports of Lemons/Limes by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Russia	24,526	21,475	32,469
Switzerland	13,448	14,274	14,929
Ukraine	6,211	4,646	11,374
Croatia	5,444	7,636	7,562
Norway	3,340	3,839	4,344
Canada	226	962	3,586
Others	13,450	15,279	25,124
Total Exports	66,645	68,111	99,388

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 12. Lemons, Fresh Production, Supply and Demand

Lemons/Limes, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	81,838	84,865	79,166	81,812		78,937
Area Harvested	79,157	76,844	77,145	74,853		73,520
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0

Production	1,183	1,272	1,316	1,270		1,154
Imports	418	421	410	436		440
Total Supply	1,601	1,693	1,726	1,706		1,594
Exports	68	68	80	99		95
Fresh Dom. Consumption	1,357	1,296	1,407	1,293		1,250
For Processing	176	329	239	314		249
Total Distribution	1,601	1,693	1,726	1,706		1,594

HECTARES, 1000 TREES, 1000 MT

Source: FAS Offices

Commodities:

Grapefruit, Fresh

Production:

Overall EU grapefruit production is projected to reach 91,000 MT in MY 2012/13. The market is considered stable by the industry.

Spain

Grapefruit production is projected to grow by 3 percent in Spain in MY 2012/13. Half of Spain's grapefruit production is found in the region of Murcia. The main variety planted is Ruby Red. This is a very small market for Spain and indeed for the EU, as most of consumption is supplied by imports.

Cyprus

MY 2012/13 Cypriot grapefruit production is projected at levels similar to the previous campaigns but there was a downward revision of historic production levels. Prices are expected to be better as initial stocks were low. White Marsh Seedless, mostly grown in the Limassol area, is the major grapefruit variety grown in Cyprus. New plantations have been established in the district of Paphos where the Red varieties (Star Ruby, Red Blush, and Rio Red) were introduced to meet the increased market demand.

Greece

MY 2012/13 Greek grapefruit production is forecast to grow by 5.4 percent. The prefectures of Corinth and Kavala, the region of Thessaly, and the island of Crete are the major grapefruit-producing areas.

Table 13. Major EU Fresh Grapefruit Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	46,824	51,000	55,000
Cyprus	23,000	20,000	18,000
Italy	7,500	7,000	7,000
Greece	5,800	5,500	5,800
Portugal	208	200	210

Source: FAS Offices

Consumption:

EU-27 consumption of fresh grapefruit is forecast to remain stable at around 370,000 MT in 2012/13.

The Spanish industry believes there is the potential for growth in the consumption of grapefruit as the majority of people still do not consume grapefruit. However recent news about possible side effects of medicines if taken with grapefruit may have a negative effect on the market.

Trade:

The EU imports grapefruit from third countries, as domestic supply is currently enough to supply a quarter of internal demand. Imports for MY 2011/12 were valued at US\$ 282 million while exports were slightly below US\$ 20 million. The largest importers within the EU are France, the Netherlands, Germany and Belgium. The major sources for imported grapefruit in MY 2011/12 were Turkey, South Africa, China, United States, and Israel. Regarding exports, the main destinations for EU-27 grapefruit are Russia, Belarus, and Switzerland.

Table 14. EU-27 Imports of Grapefruit by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Turkey	75,622	64,258	83,437
South Africa	79,071	93,865	74,817
China	73,102	50,325	63,169
United States	57,889	54,233	45,578
Israel	61,276	39,727	45,106
Mexico	12,787	15,482	10,257
Others	28,853	30,399	15,161
Total Imports	388,600	348,289	337,525

Source: GTA and FAS estimates

Table 15. EU-27 Exports of Grapefruit by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Russia	8,387	6,361	7,639
Belarus	2,090	1,996	2,108
Switzerland	2,393	2,318	1,851
Ukraine	1,606	2,463	1,736
Croatia	1,273	1,663	1,158
Norway	708	635	860
Others	5,119	4,987	3,834
Total Exports	21,576	20,423	19,185

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 16. Grapefruit, Fresh Production, Supply and Demand

Grapefruit, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	2,120	2,773	1,902	2,506		2,548
Area Harvested	2,096	2,346	1,871	2,119		2,155
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	107	88	104	88		90
Imports	344	348	365	338		330
Total Supply	451	436	469	426		420
Exports	20	20	18	19		20
Fresh Dom. Consumption	411	385	431	376		370
For Processing	20	31	20	31		30
Total Distribution	451	436	469	426		420

HECTARES, 1000 TREES, 1000 MT

Source: FAS Offices

Commodities:

Orange Juice

Production:

EU-27 production of orange juice is expected to decrease by 4 percent in MY 2012/13 to 88.4 MMT (Brix 65), in line with lower expected deliveries of orange to be processed by the industry. The European citrus sector is strongly orientated towards the fresh produce market. Margins are better for fresh fruit intended for fresh consumption for both domestic and export demand. Processing is a buffer for production surpluses and fruit that does not meet commercial standards.

Consumption:

Consumption of orange juice is expected to continue the falling trend reflecting decreasing buying power in the majority of the EU countries. While orange juice is the most popular juice within the EU-27, it competes with other non-alcoholic drinks and juices made from other fruits. The preferred packaging type by European consumers is the carton. The convenience of orange juice is reflected in its better adaptation to modern consumption habits than whole fresh oranges. Another factor affecting consumption is the current economic situation that has led to higher demand for private label juice at the expense of brand labels.

Trade:

In MY 2011/12, total EU imports of orange juice were valued at US\$ 1.594 billion with exports worth US\$ 145 Million. Imports were stable from the previous market year. Brazil continues to be the main supplier of orange juice to the EU with around 85 percent of total imports of orange juice to the EU market. EU-27 exports have increased in MY 2011/12 with main export destinations to be Switzerland, Saudi Arabia and Algeria.

Table 17. EU-27 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Brazil	682,952	549,614	593,027
United States	27,798	57,068	21,028
Israel	10,391	12,170	9,145
Argentina	5,841	6,409	5,769
Cuba	12,836	7,087	4,195
Switzerland	7,113	546	818
Others	49,236	55,039	49,620
Total Imports	796,166	687,934	683,602

Source: GTA and FAS estimates

Table 18. EU-27 Exports of Orange Juice by Destination in MT (Brix 65)

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Switzerland	5,877	5,846	5,545
Saudi Arabia	5,365	7,857	7,567
Algeria	4,355	3,192	5,888
Japan	2,021	2,051	2,801
Norway	3,089	2,696	2,381
Russia	1,435	1,496	1,779
Others	23,355	26,244	28,784
Total Exports	45,498	49,382	54,745

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 19. Orange Juice Production, Supply and Demand (Brix 65)

Orange Juice EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,215,453	1,363,883	1,268,000	1,186,500		1,141,078
Beginning Stocks	15,000	15,000	15,000	15,000		15,000
Production	94,224	105,731	98,298	91,980		88,459
Imports	693,541	687,934	680,000	683,602		690,000
Total Supply	802,765	808,665	793,298	790,582		793,459
Exports	49,279	49,382	50,000	54,745		55,000
Domestic Consumption	738,486	744,283	728,298	720,837		723,459
Ending Stocks	15,000	15,000	15,000	15,000		15,000
Total Distribution	802,765	808,665	793,298	790,582		793,459

MT

Source: FAS Offices

EU Policy Section

A new Common Market Organization (CMO) for fruit and vegetables was reformed in 2007. The policy changes agreed in the context of the CMO reforms for fruit and vegetables were incorporated in the single CMO by [Council Regulation 361/2008](#). The shift from production support to direct aid to producers was designed to improve the competitiveness, market orientation and sustainability of the sector.

The European Commission asserts that the aim of the reformed CMO is to improve the competitiveness and market orientation of the fruit and vegetable sector, reduce income fluctuations resulting from crises, promote consumption – so contributing to improved public health – and enhance environmental safeguards.

Producer Organizations (PO's) are the key elements in the EU's CMO for fruit and vegetables. PO's are legal entities established by producers to market commodities, including citrus fruit. EU subsidies are not paid to individual producers but are channeled through PO's. In order to qualify for EU subsidies, PO's must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the PO's operational fund. The calculation of the estimated amount of operational fund is based on the operational program and the value of marketed production. All the implementing rules of Council Regulation 1234/2007 have been incorporated in [Commission Implementing Regulation 543/2011](#).

The [Commission Implementing Regulation 701/2012](#) amended the crisis adaptation measures in Commission Implementing Regulation 543/2011 since August 2012 and was introduced as part of the ongoing CAP reform. The Commission improved the functioning of the crisis management system in the fruit and vegetable sector in the run-up to the entry into force of the CAP reform expected in 2014. The regulation also aims to make rules more flexible on green harvesting and non-harvesting. For information on the CAP starting on January 1, 2014, please see: http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm

The Commission has agreed to add compensation payments for withdrawing certain products. The amounts of aid per kilo paid to POs for products withdrawn from the market have been increased for certain products, among others for clementines (22.16 €/100 kg) and lemons (23.99 €/100 kg).

EU Marketing Standards for Fruits and Vegetables

The [Commission implementing Regulation \(EU\) No 543/2011](#) provides for a general marketing standard for all fresh fruits and vegetables, repealing Commission Regulation 1221/2008. Specific marketing standards are still in place for ten products, including citrus fruit. The specific marketing standards are

set out in Part B of Annex I to this Regulation. The specific marketing standards for citrus fruit can be found in Part 2 of that same section (p.111).

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation.

Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an APHIS inspector are required to accompany fruit, vegetable, and nut shipments. APHIS issues phytosanitary certificates in accordance with international regulations established by the [International Plant Protection Convention of the Food and Agriculture Organization of the United Nations](#). This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

Council Directive [2000/29/EC](#) contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health and Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm.

Commission Regulation [1756/2004](#) provides for plant health checks to be carried out at reduced frequency when justified. The list of products recommended for plant health checks at reduced levels was [updated June 29, 2011](#).

School Fruit Scheme

A key objective of the changes made to the Fruit and Vegetable regime was to reverse the declining consumption of fruit and vegetables. [Commission Regulation 288/2009](#), last amended by [Commission Implementing Regulation 1208/2011](#), lays down the rules for applying the European School Fruit Scheme (SFS) as a measure to combat child obesity. These SFSs include three elements: free distribution of fruit and vegetables in schools, a series of accompanying measures, such as information campaigns on healthy eating habits, and monitoring and evaluation. The SFS aims to provide fruit and vegetables to school children from the start of the school year.

The SFS makes €90 million of EU funds available to provide fruit and vegetables to school children to be matched by national and private funds. The 2012/2013 school year is the fourth year of the program and the [Commission implementing decision](#) of March 2012, allocates the €90 million of EU funds to the 24 participating Member States (Sweden, Finland and UK have opted not to participate). The main beneficiaries of the scheme in 2012/2013 are Italy, who is set to receive over € 20.5 million, followed by

Germany (€ 11.6 million), Romania (€ 9.8 million), Poland (€ 9.2 million), France (€ 5.6 million) and Spain (€ 4.8 million).

Information and documents on the SFS are available on internet at: http://ec.europa.eu/agriculture/fruit-and-vegetables/school-fruit-scheme/index_en.htm

Maximum Residue Level for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL.

Please find the link to the [EU MRL database](#), as well as to the International [MRL database](#) developed by USDA for MRLs worldwide.

Tariffs

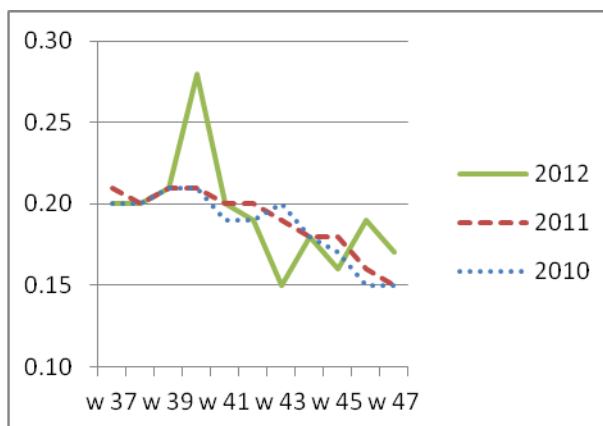
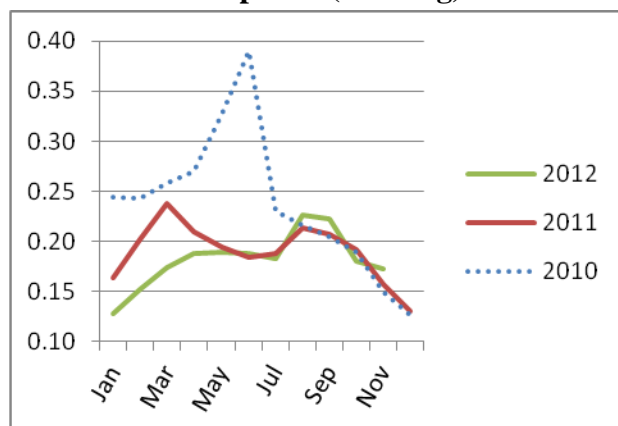
Imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Whether or not the EU will maintain the EPS will be discussed in the context of the Doha Round trade talks. The U.S. tends to sell high quality products, which are usually relatively higher priced and typically do not face any additional duty. Replacing the EPS with fixed tariffs could result in higher ad valorem duties.

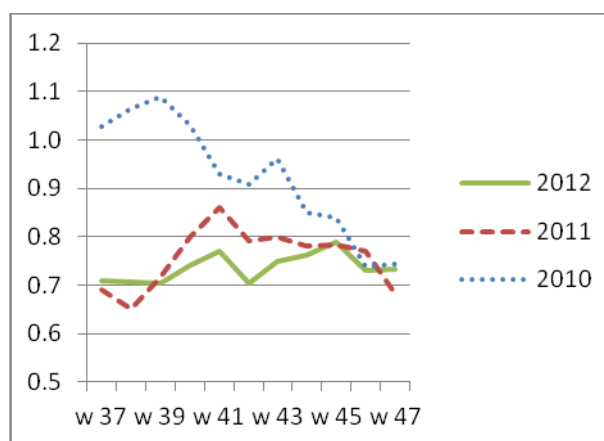
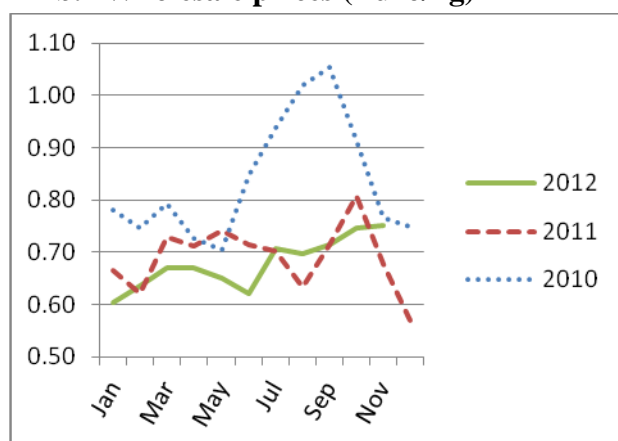
Tariff levels for 2013 are published in [EU Regulation 927/2012](#). The tariffs for citrus fruit remain unchanged compared to the levels of 2012 and can be found at [page 96](#) for oranges, tangerines, lemons, grapefruit and other citrus fruit, while the tariff for orange juice can be found at [page 165](#).

Annex A. Navel Orange Nominal Prices in Spain at different levels of the supply chain

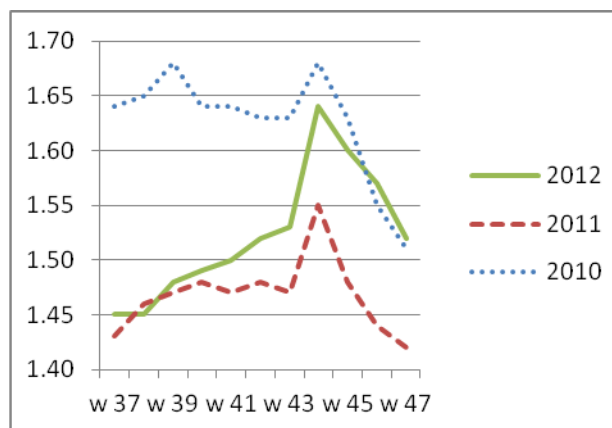
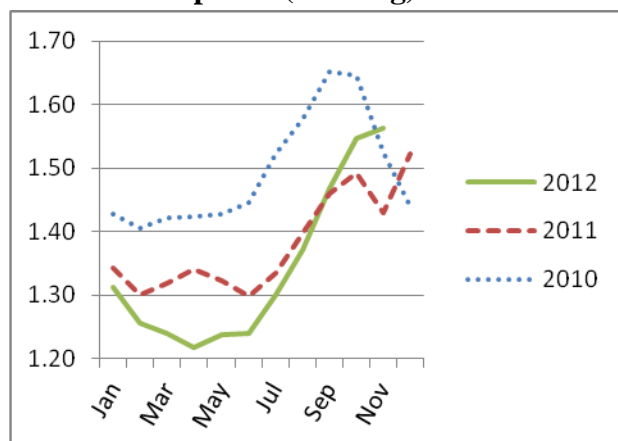
a. Producer prices (Euro/kg)



b. Wholesale prices (Euro/kg)



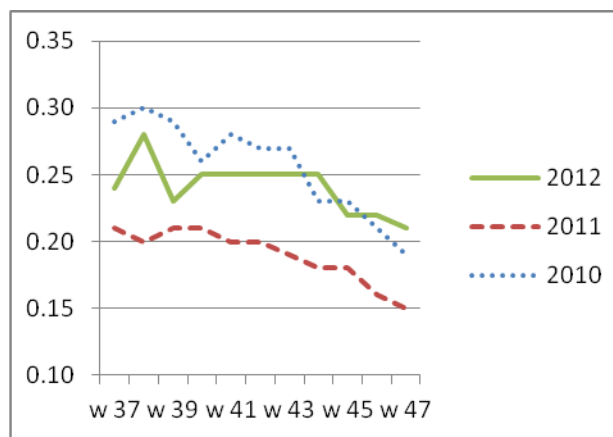
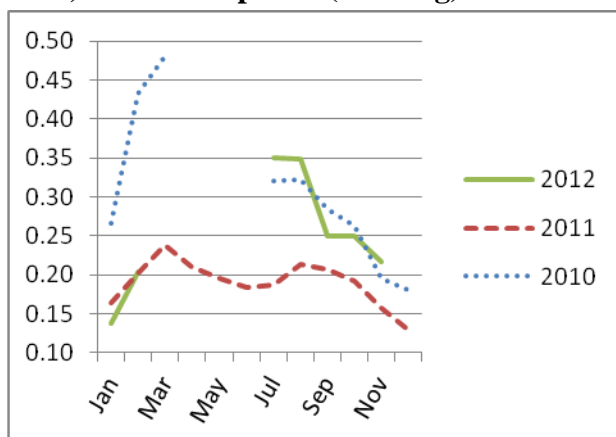
c. Retail prices (Euro/kg)



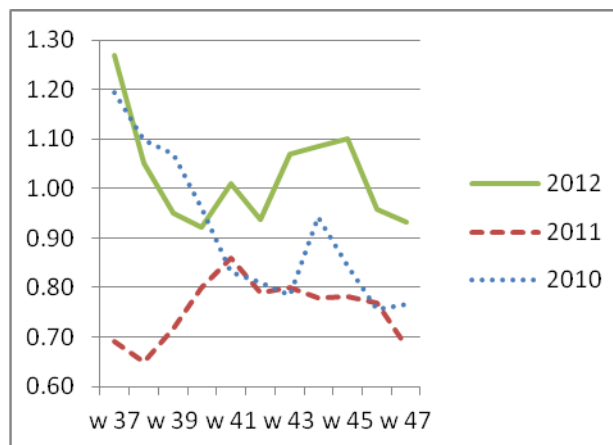
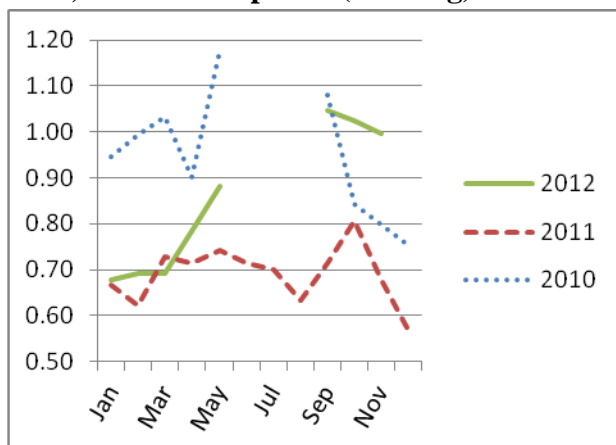
Source: Spanish Ministry of Environment, Rural and Marine Affairs (MAGRAMA)

Annex B. Clementine Nominal Prices in Spain at different levels of the supply chain

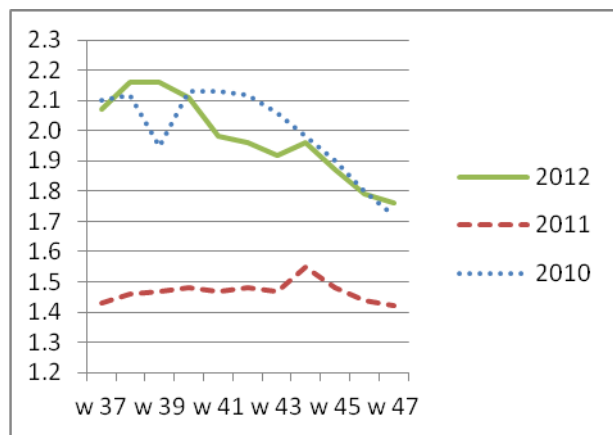
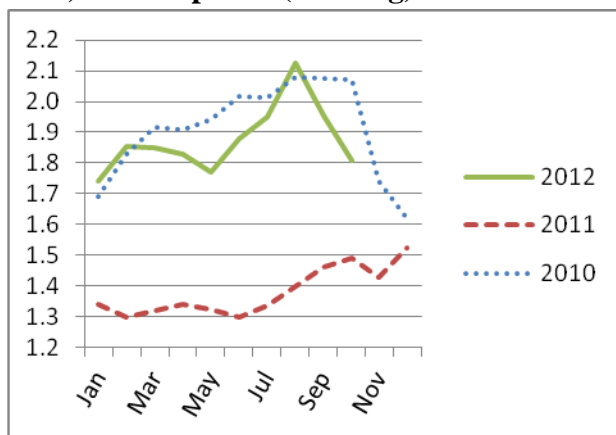
a) Producer prices (Euro/kg)



b) Wholesale prices (Euro/kg)



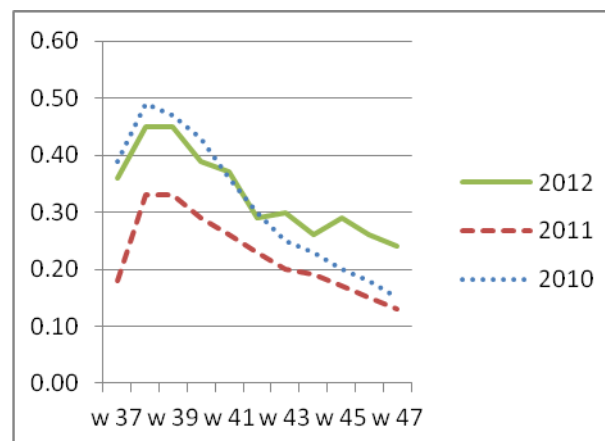
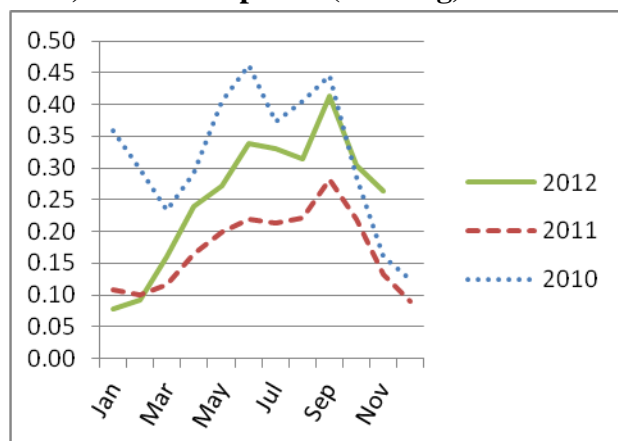
c) Retail prices (Euro/kg)



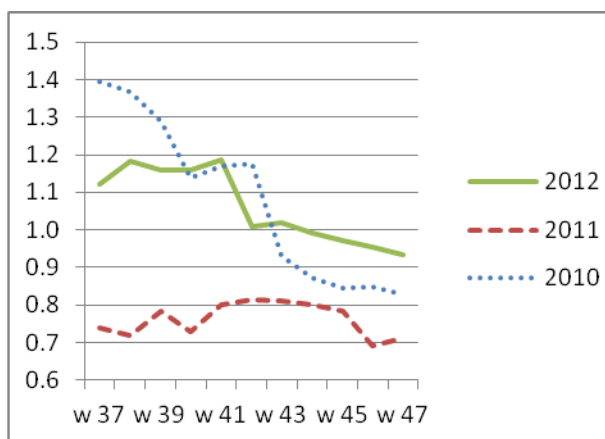
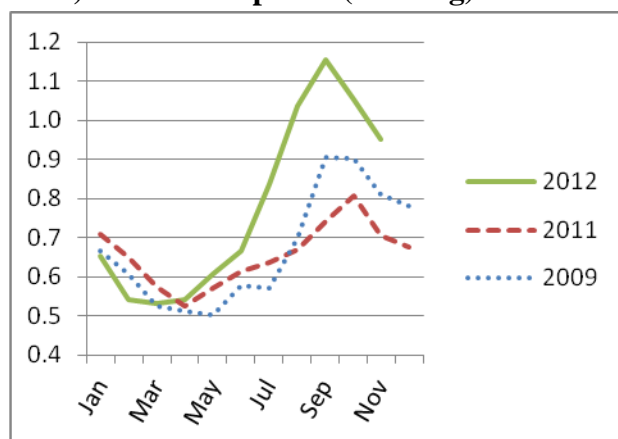
Source: MAGRAMA

Annex C. Lemon Nominal Prices in Spain at different levels of the supply chain

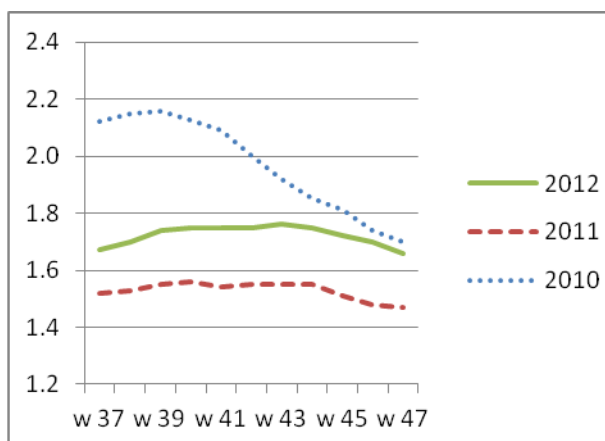
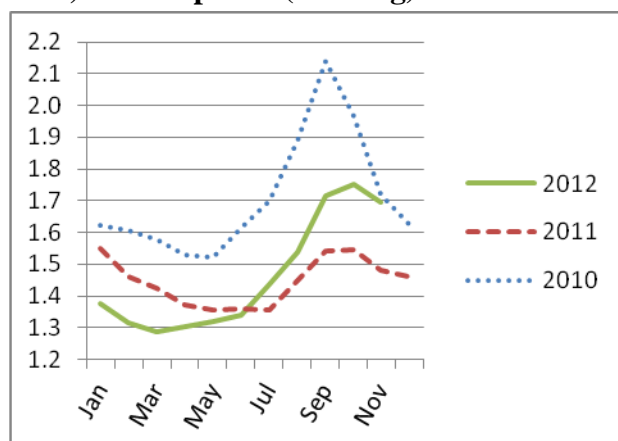
a) Producer prices (Euro/kg)



b) Wholesale prices (Euro/kg)



c) Retail prices (Euro/kg)



Source: MAGRAMA